

Appendix J: Cost Neutrality Demonstration**J-1: Composite Overview and Demonstration of Cost-Neutrality Formula**

Composite Overview. Complete the fields in Cols. 3, 5 and 6 in the following table for each waiver year. The fields in Cols. 4, 7 and 8 are auto-calculated based on entries in Cols 3, 5, and 6. The fields in Col. 2 are auto-calculated using the Factor D data from the J-2d Estimate of Factor D tables. Col. 2 fields will be populated ONLY when the Estimate of Factor D tables in J-2d have been completed.

Level(s) of Care: ICF/MR

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Year	Factor D	Factor D'	Total: D+D'	Factor G	Factor G'	Total: G+G'	Difference (Col 7 less Column4)
1	6133.71	7032.00	13165.71	170125.00	7731.20	177856.20	164690.49
2	6245.31	7330.86	13576.17	175739.12	8059.77	183798.89	170222.72
3	6306.37	7642.42	13948.79	181538.51	8402.31	189940.82	175992.03
4	6367.81	7967.22	14335.03	187529.28	8759.40	196288.68	181953.65
5	6429.54	8305.82	14735.36	193717.74	9131.67	202849.41	188114.05

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- a. **Number Of Unduplicated Participants Served.** Enter the total number of unduplicated participants from Item B-3-a who will be served each year that the waiver is in operation. When the waiver serves individuals under more than one level of care, specify the number of unduplicated participants for each level of care:

Table: J-2-a: Unduplicated Participants

Waiver Year	Total Number Unduplicated Number of Participants (from Item B-3-a)	Distribution of Unduplicated Participants by Level of Care (if applicable)
		Level of Care:
		ICF/MR
Year 1	320	320
Year 2	320	320
Year 3	320	320
Year 4 (renewal only)	320	320
Year 5 (renewal only)	320	320

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- b. **Average Length of Stay.** Describe the basis of the estimate of the average length of stay on the waiver by participants in item J-2-a.

The basis of the estimate is the two most recent lag reports, FY06 and FY07, to calculate the average number of waiver days with an adjustment made for what the DDP believes to be errors. DDP projects that the average waiver

span date for a CS recipient for the renewal period will be 345 days. This estimate is based on a review of the lag data and DDP's efforts to address problems in verifying the state of enrolled and disenrolled clients on the Waiver Access Client Information Screen (WACI) in TEAMS. Steps were taken to facilitate the review of client enrollment status. DDP has developed an AWACS/TEAMS interface, enabling the DDP Regional Administrative Assistant to review a list of the enrollment status of all persons served in all DD Waivers. DDP believes this effort will result in more accurate waiver span data reports from Affiliated Computer Services, Inc (ACS).

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- c. **Derivation of Estimates for Each Factor.** Provide a narrative description for the derivation of the estimates of the following factors.

- i. **Factor D Derivation.** The estimates of Factor D for each waiver year are located in Item J-2-d. The basis for these estimates is as follows:

Factor D is based on the average of the two most recent lag reports, FY06 and FY07.

- ii. **Factor D' Derivation.** The estimates of Factor D' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor D' is based on the average of the two most recent lag report years, FY06, FY07. This value was increased by 4.25% per year for FY08, FY09 and waiver years 1 - 5 based on the average of the last four years of the Health Care Consumer Price Index (HCI) data. DDP believes these State Plan cost increases are conservative based on the Montana Medicaid Growth Data for all State Plan enrollees.

- iii. **Factor G Derivation.** The estimates of Factor G for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor G is based on the most recently available data, FY08, from Affiliated Computer Services, Inc (ACS). DDP believes ICF/MR costs are substantially higher than would be reflected in the average of the last two years of lag report data, FY06 and FY07. While the operating budget remained stable the last three fiscal years the number of individuals served was reduced. DDP projects a continued decline in the number of individuals served in the ICF/MR.

- iv. **Factor G' Derivation.** The estimates of Factor G' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

Factor G' is based on the average of the two most recent years of ACS data, FY07 and FY08. This value was increased by 4.25% per year for FY08, FY09 and waiver years 1 - 5 based on the average of the last four years of the Health Care Consumer Price Index (HCI) data. DDP believes these State Plan cost increases are conservative based on the Montana Medicaid Growth Data for all State Plan enrollees.

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Component management for waiver services. If the service(s) below includes two or more discrete services that are reimbursed separately, or is a bundled service, each component of the service must be listed. Select "*manage components*" to add these components.

Waiver Services
Day Habilitation
Homemaker
Personal Care
Residential Habilitation
Respite

Supported Employment
Adult Companion
Educational Services
Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies
Health/Health Maintenance/Safety Supports
Personal Emergency Response System (PERS)
Private Duty Nursing
Social, Leisure and Recreational Supports
Transportation

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J-2: Derivation of Estimates (5 of 9)

d. Estimate of Factor D.

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 1

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Day Habilitation Total:						378602.05
Day Habilitation	one hour	71	262.94	20.28	378602.05	
Homemaker Total:						2062.90
Homemaker	one hour	3	38.74	17.75	2062.90	
Personal Care Total:						1309.95
Personal Care	one hour	1	73.80	17.75	1309.95	
Residential Habilitation Total:						437194.81
Residential Habilitation	one hour	100	218.27	20.03	437194.81	
Respite Total:						197176.14
Respite	one hour	43	340.17	13.48	197176.14	
Supported Employment Total:						187457.48
Supported Employment	one hour	60	93.71	33.34	187457.48	
Adult Companion Total:						72488.16
Adult Companion	one hour	18	226.88	17.75	72488.16	
Educational Services Total:						45635.05
Educational Services	course	41	1.97	565.00	45635.05	

Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies Total:						40950.00
Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies	mods/equip/supplies	13	1.26	2500.00	40950.00	
Health/Health Maintenance/Safety Supports Total:						90314.07
Health/Health Maintenance/Safety Supports	safety related items	81	2.63	423.95	90314.07	
Personal Emergency Response System (PERS) Total:						16200.00
Personal Emergency Response System (PERS)	one month	27	12.00	50.00	16200.00	
Private Duty Nursing Total:						4320.14
Private Duty Nursing	1/2 hour	4	67.46	16.01	4320.14	
Social, Leisure and Recreational Supports Total:						217587.68
Social, Leisure and Recreational Supports	outings	70	99.66	31.19	217587.68	
Transportation Total:						271487.35
Transportation (client driving related expenses)	2 driving related item	17	2.00	822.71	27972.14	
Transportation (ride)	one way ride	178	220.30	6.21	243515.21	
GRAND TOTAL:						1962785.78
Total Estimated Unduplicated Participants:						320
Factor D (Divide total by number of participants):						6133.71
Average Length of Stay on the Waiver:						345

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d. Estimate of Factor D.

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 2

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Day Habilitation Total:						382335.80
Day Habilitation	one hour	71	262.94	20.48	382335.80	
Homemaker Total:						2082.66
Homemaker	one hour	3	38.74	17.92	2082.66	
Personal Care Total:						

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d. Estimate of Factor D.

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 3

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Day Habilitation Total:						386069.54
Day Habilitation	one hour	71	262.94	20.68	386069.54	
Homemaker Total:						2102.42
Homemaker	one hour	3	38.74	18.09	2102.42	
Personal Care Total:						1335.04
Personal Care	one hour	1	73.80	18.09	1335.04	
Residential Habilitation Total:						445925.61
Residential Habilitation	one hour	100	218.27	20.43	445925.61	
Respite Total:						200979.24
Respite	one hour	43	340.17	13.74	200979.24	
Supported Employment Total:						191168.40
Supported Employment	one hour	60	93.71	34.00	191168.40	
Adult Companion Total:						73876.67
Adult Companion	one hour	18	226.88	18.09	73876.67	
Educational Services Total:						46551.79
Educational Services	course	41	1.97	576.35	46551.79	
Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies Total:						41773.10
Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies	mods/equip/supplies	13	1.26	2550.25	41773.10	
Health/Health Maintenance/Safety Supports Total:						108655.95
Health/Health Maintenance/Safety Supports	safety related items	81	2.63	510.05	108655.95	
Personal Emergency Response System (PERS) Total:						16527.24
Personal Emergency Response System (PERS)	one month	27	12.00	51.01	16527.24	
Private Duty Nursing Total:						4406.49
Private Duty Nursing	1/2 hour	4	67.46	16.33	4406.49	

Social, Leisure and Recreational Supports Total:						221912.92
Social, Leisure and Recreational Supports	outings	70	99.66	31.81	221912.92	
Transportation Total:						276754.64
Transportation (client driving related expenses)	2 driving related item	17	2.00	839.23	28533.82	
Transportation (ride)	one way ride	178	220.30	6.33	248220.82	
GRAND TOTAL:						2018039.05
Total Estimated Unduplicated Participants:						320
Factor D (Divide total by number of participants):						6306.37
Average Length of Stay on the Waiver:						345

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d. Estimate of Factor D.

i. **Non-Concurrent Waiver.** Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 4 (renewal only)

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Day Habilitation Total:						389803.29
Day Habilitation	one hour	71	262.94	20.88	389803.29	
Homemaker Total:						2123.34
Homemaker	one hour	3	38.74	18.27	2123.34	
Personal Care Total:						1348.33
Personal Care	one hour	1	73.80	18.27	1348.33	
Residential Habilitation Total:						450291.01
Residential Habilitation	one hour	100	218.27	20.63	450291.01	
Respite Total:						202880.79
Respite	one hour	43	340.17	13.87	202880.79	
Supported Employment Total:						193080.08
Supported Employment	one hour	60	93.71	34.34	193080.08	
Adult Companion Total:						74611.76
Adult Companion	one hour	18	226.88	18.27	74611.76	

Educational Services Total:						47017.02
Educational Services	course	41	1.97	582.11	47017.02	
Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies Total:						42190.78
Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies	mods/equip/supplies	13	1.26	2575.75	42190.78	
Health/Health Maintenance/Safety Supports Total:						109742.40
Health/Health Maintenance/Safety Supports	safety related items	81	2.63	515.15	109742.40	
Personal Emergency Response System (PERS) Total:						16692.48
Personal Emergency Response System (PERS)	one month	27	12.00	51.52	16692.48	
Private Duty Nursing Total:						4449.66
Private Duty Nursing	1/2 hour	4	67.46	16.49	4449.66	
Social, Leisure and Recreational Supports Total:						224075.54
Social, Leisure and Recreational Supports	outings	70	99.66	32.12	224075.54	
Transportation Total:						279392.71
Transportation (client driving related expenses)	2 driving related item	17	2.00	847.62	28819.08	
Transportation (ride)	one way ride	178	220.30	6.39	250573.63	
GRAND TOTAL:						2037699.20
Total Estimated Unduplicated Participants:						320
Factor D (Divide total by number of participants):						6367.81
Average Length of Stay on the Waiver:						345

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J-2: Derivation of Estimates (9 of 9)

d. Estimate of Factor D.

i. Non-Concurrent Waiver. Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 5 (renewal only)

Waiver Service/ Component	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Component Cost	Total Cost
Day Habilitation Total:						393537.04
Day Habilitation	one hour	71	262.94	21.08	393537.04	
Homemaker Total:						

						2144.26
Homemaker	one hour	3	38.74	18.45	2144.26	
Personal Care Total:						1361.61
Personal Care	one hour	1	73.80	18.45	1361.61	
Residential Habilitation Total:						454656.41
Residential Habilitation	one hour	100	218.27	20.83	454656.41	
Respite Total:						204782.34
Respite	one hour	43	340.17	14.00	204782.34	
Supported Employment Total:						194991.77
Supported Employment	one hour	60	93.71	34.68	194991.77	
Adult Companion Total:						75346.85
Adult Companion	one hour	18	226.88	18.45	75346.85	
Educational Services Total:						47487.11
Educational Services	course	41	1.97	587.93	47487.11	
Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies Total:						42612.57
Environmental Modifications /Adaptive Equipment/Specialized Medical Equipment and Supplies	mods/equip/supplies	13	1.26	2601.50	42612.57	
Health/Health Maintenance/Safety Supports Total:						110839.51
Health/Health Maintenance/Safety Supports	safety related items	81	2.63	520.30	110839.51	
Personal Emergency Response System (PERS) Total:						16857.72
Personal Emergency Response System (PERS)	one month	27	12.00	52.03	16857.72	
Private Duty Nursing Total:						4492.84
Private Duty Nursing	1/2 hour	4	67.46	16.65	4492.84	
Social, Leisure and Recreational Supports Total:						226307.93
Social, Leisure and Recreational Supports	outings	70	99.66	32.44	226307.93	
Transportation Total:						282033.49
Transportation (client driving related expenses)	2 driving related item	17	2.00	856.09	29107.06	
Transportation (ride)	one way ride	178	220.30	6.45	252926.43	
GRAND TOTAL:						2057451.43
Total Estimated Unduplicated Participants:						320
Factor D (Divide total by number of participants):						6429.54
Average Length of Stay on the Waiver:						345